American Journal of Economics, Finance and Management

Vol. 1, No. 5, 2015, pp. 399-403

http://www.aiscience.org/journal/ajefm



Proactive Planning: A Study from Malaysia

Ahmad Rasmi AlBattat^{1, 2, *}, Ahmad Puad Mat Som^{1, 2}, Azizan Marzuki^{1, 2}, Ayesha Farooq³

¹School of Housing, Building and Planning, Universiti Sains Malaysia, Penang, Malaysia

Abstract

Proactive emergency planning is very important for hospitality industry, which may be prone to a range of internal and external disasters and emergencies. In spite of the importance of hotels in the hospitality industry, a lack of research has been undertaken to explore the hotel emergency management. Researchers were concerned about disaster response or recovery rather than proactive emergency planning and follow descriptive methods. This study aims to review some attempts to investigate how proactive emergency planning could mitigate disaster impacts. The findings of this study are based on qualitative research method, conducting face-to-face semi-structured interviews with industry key players in Malaysia. This study reviews the governmental statistics and reviews the tourist arrivals. Furthermore, analyses the occupancy rate during disasters. In the sample of 33 interviews majority of respondents indicated that the hospitality industry in Malaysia has been affected by several disasters. Respondents emphasize that the organization type, age, and size had a great effect on proactive planning and whether if the organization faced a disaster before. Although there was a governmental proactive strategy to plan for disasters and learn from the past to overcome the effect of such events and quick return to normality. But unfortunately, proactive emergency planning for the disaster has been a dereliction by industry key players.

Keywords

Proactive Planning, Disaster, Hospitality, Malaysia

Received: April 7, 2015 / Accepted: April 24, 2015 / Published online: June 30, 2015

@ 2015 The Authors. Published by American Institute of Science. This Open Access article is under the CC BY-NC license. http://creativecommons.org/licenses/by-nc/4.0/

1. Introduction

Disasters experienced by hospitality industry have steadily increased over the past few decades. Disaster management has become an important issue as hospitality key players seek ways to cope with these unexpected events, which confound threats to the viability of hospitality organizations (Mitroff, 2004), and create multiple challenges for the private and public sectors (Prideaux, 2004). Kash (1998) pointed out that the core of the resolution of a disaster is to evaluate the current level of disaster planning and preparedness in the hospitality industry, and examining the relationship between organizational factors (type, size, and age), disaster planning

activities and disaster preparedness. A wave of tragic events, such as the September 11 attacks on the World Trade Center in New York (Blake, 2003), terrorist attacks in Bali (Hitchcock, 2005), Southeast Asia Tsunami (Rittichainuwat, 2006; Cohen, 2007), Arab spring revolution (Cordesman, 2011);AlBattat, 2013), have increased awareness among hospitality scholars, raising questions about how to read, manage and mitigate the impact of such events on the hospitality sector (Cohen, 2008; Oliver-Smith, 1999).

This research read the Malaysian hospitality proactive emergency planning in depth, and investigated the impact of current disasters on one of the most popular destinations in Southeast Asia. In spite of several research projects on

E-mail address: dr.battat@gmail.com (A. R. AlBattat)

²Sustainable Tourism Research Cluster, Universiti Sains Malaysia, Penang, Malaysia

³Faculty of Business, Economics and Accountancy, Universiti Malaysia Sabah, Sabah, Malaysia

^{*} Corresponding author

disaster management in hospitality studies, this field is relatively new and more studies should be done to investigate the impact of disasters within Southeast Asia as a whole and Malaysia in particular.

2. Literature Review

2.1. Proactive Emergency Planning

Although disasters can be described as an unpredictable catastrophic change that can be normally responded to after the event, by deploying contingency plans already in place or through reactive response (Prideaux, 2003). But still proactive planning and emergency managing are not the two sides of the same coin. Which lead us to know that planning is not managing (Stahura, 2012). Cavanaugh (2008) argued that planning is the most important part which organization could rely on when dealing with emergencies. Furthermore, the importance to have proactive planning to gain control over the existing hazards (Fink, 1986). Even though the hospitality industry endures formidable losses as a result of disasters, it has been observed that hospitality ability to deal with emergencies is limited (Henderson, 2004). Several scholars in previous studies have discovered a low level of proactive planning for emergencies within the hospitality industry, and some are disappointed by the lack of appropriate emergency planning in the hotel industry (Hystad, 2008; Lu, 2007; Okumus, 2005).

Proactive planning by hotels should not be undertaken in isolation. All planning efforts must fill the gap between the internal and external plans. Hotels proactive emergency planning must fill the gap between planning for guests, employees and local authority (Stahura, 2012). Many disaster frameworks proposed by scholars such as (Faulkner, 2001; Ritchie, 2008; De Sausmarez, 2004) though they mostly focus on the recovery stage rather than proactive planning. However, the generic framework proposed by PATA (2003) could be used as a framework to formulate hospitality individual planning and find a solution to disasters. This framework suggested four phases:

- 1 Reduction. Detecting early warning signals.
- 2 Readiness. Preparing plans to deal with emergencies.
- 3 Response. Executing plans at the time of disaster.
- 4 Recovery. Return back to normalities after a disaster.

So, hotels as a soft target for disasters should work on proactive emergency planning to avoid any harmful event and minimize losses (Henderson, 2010), to avoid a dramatic falls in arrivals (Stafford, 2002). Planning is a process; created plans should be tested and evaluated through practice. Difference between planning and preparedness comes from

practice. Planning should be the standard of preparedness (Helsloot, 2004).

2.2. Disaster Planning in Malaysia

Same as Asia Pacific region, Malaysia has a rapidly growing growth in arrivals in the last few years. By receiving 16.4 million arrivals, spending RM 32.0 Billion to 25.03 million arrivals, spending RM60.6 Billion (Tourism Malaysia, 2013). Major markets of Malaysia arrivals in 2011 are coming from Singapore, Indonesia, and Thailand (Tourism Malaysia, 2012). Tourist usually thinks about their safety when travelling. Although, Malaysia is located outside the Pacific edge of the fire. But it is experienced some disasters from time to time, which affect the hospitality industry and caused remarkable damages and lost in lives, the matter which raise the need for proactive emergency planning to reduce the effect of such disasters (Shaluf, 2006).

After several disasters affecting Malaysia the Government has launched a new mechanism for disasters, establishing a Special Malaysian Disaster Assistance and Rescue Team (SMART) and the National Security Council (NSC) to be responsible about disaster management "Directive No. 20" (National Security Council, 1997). These two organizational departments are responsible about emergency planning and management in three levels; District level, State level, and National level. By using all the resources to mitigate the impact of disasters on hospitality and other sectors. Furthermore, use some international assistance when needed (Shaluf, 2006).

2.3. Methodology

This study aims to read the proactive emergency planning for disasters affecting the hospitality industry in Malaysia. To undertake this study, content analysis of secondary data and qualitative research methodology was considered the most appropriate method to describe the existing issues related to disasters affecting Malaysia (Chaudhary, 1991). In the qualitative approach, semi-structured face-to-face interviews have been used (Riley, 2000). The use of semi-structured interviews, with a number of pre-determined questions, facilitated the scientific comparison between the responses of participating interviewees (Walle, 1997). 33 key persons in charge of Malaysian hospitality industry were interviewed (Sandelowski, 1995); this sample was selected using the purposeful snowball method. Regarding this method, personal links were used to identify the most knowledgeable persons. The sample size was determined using the 'saturation criterion', mentioned by Patten (2007): " at the point at which several additional participants fail to respond with new information that leads to the identification of additional themes, the researcher might conclude that the

data collection process has become saturated" (p. 152). The senior managers were drawn from hospitality organizations in Malaysia. The materials collected in this study were subjected to qualitative thematic analysis aiming to uncover the prevalent themes by identifying, describing and reporting the content of data. Results will be outlined next, featuring direct quotations to support the study's findings.

3. Finding and Discussion

This research was carried out among hospitality key players in Malaysia. To investigate issues related to proactive emergency planning for disasters in the Malaysian hospitality industry. Issues however explored typology of disasters, the impact of disaster on the hospitality industry, proactive emergency planning, and recommendations from the interviewees. Table 1 will show the themes extracted from the interviews.

3.1. Typology and Impact of Disasters

Regarding the respondents, the hospitality industry in Malaysia has been affected by several disasters. A wave from natural disaster, diseases, terrorism, and economics arising broadly outside Malaysia with an issue of deep impact in the hospitality industry, this was confirmed by Laws (2006) that 'there is scope for a crisis that has a local or regional to have impacts that reach far beyond the geographic boundaries of the local area or the region.' (p. 3). As observed previously by Lean (2009) Malaysia was not immune from several types of disasters affecting the hospitality industry in Southeast Asia and the rest of the world. Local, nearby, and distant disasters affected the industry in Malaysia badly.

During the SARS outbreak, international arrivals reduced by 20% in some states which cause a formidable shock to the hospitality industry. Approximately, all respondents agreed that SARS and Avian flu created intricate situation and it took around half a year to return back to normality. Although, disasters have a negative impact on some destinations, but it could provide an opportunity to other destinations. One respondent commented that 'disasters in Thailand and Indonesia drove tourists to change their destination at the last minute to Kuala Lumpur, Pinang, and Langkawi'. This was confirmed by AlBattat (2013) study, which mentioned that after the Middle East revolutions a great opportunity created to Malaysia and other South-East destinations to attract tourists from the aforementioned region. Since tourists start to search for a safe destination the hospitality sector in Malaysia witnessed the increased number of arrivals especially from the Middle East.

Respondents also argued that in line with epidemics, tourist arrivals collapsed in Malaysia and South East Asia, according to the Bali bombings in 2002 and 2005. Even though it occurred in Indonesia but it affected Malaysia as well. This argument was confirmed by Lean (2009) who stated that the USA and Australia advised their citizens to avoid travelling to Indonesia and Malaysia regarding the unsafe situation. Furthermore, the media mentioned that the ripple impact was in Malaysia as pointed out in the Asian Wall Street Journal article. Malaysia was forced to spend a lot of money to clear the image and market Malaysia as a terrorist-free destination (Asia time online, Jan 4', 2005).

The hospitality industry suffered from the deep impact of the Asian Tsunami which caused losses estimated at around RM30 million (US\$8 million) in the northern affected states. Hotels and beach resorts suffered from the dramatic drop in arrivals for a short period of time. As a royal destination for tourist from USA, Europe, and Australia, Malaysian hospitality industry was affected by the global economic crisis and the outbreak of H1N1 in 2008-2009. The manager of a hotel indicated that 'a lot of reservation cancellation', reducing length of stay, and less expenditure regarding the severe impact. All respondents argued that dramatic drop in hotel occupancy rates have been experienced, with less expenditure on food and beverage facilities. A tour operator concluded that 'packages that involves Thailand-Malaysia-Singapore may totally cancel if there any disaster in one of these countries'.

3.2. Emergency Proactive Planning

Respondents also were asked how they manage and mitigate disasters, and whether they have proactive emergency planning to return back safely to normalities. Respondents agreed that although the government set the roles in the Directive 20 strategy to mitigate the impact of disasters and reduce losses in lives and properties. But unfortunately, regarding to an official who stated that, 'we never heard of it before'. While, respondent from five star hotels described that 'they have proactive emergency planning at the hotel level. We have a various manuals for natural and man-made disasters, the committee meets once a month to discuss and share the information'. Other respondents were confessed that they don't have any proactive emergency planning for disasters. Especially, in the small and new organizations which never faced an emergency situation before. The matter which gives an indication that although disasters affected hospitality industry, but proactive emergency planning was neglected. Nevertheless, respondents acted based on an ad hoc manner in the case of disasters.

Tour operator and travel agencies declared that they have unwritten verbal plans. Airlines professed that they drown up proactive plans to mitigate the effect of disasters as a manager noted 'according to the multiplicity of disasters and fuel cost, it's very important to have proactive plans. We start to implement our programme, trying to renew our aircraft to increase safety and reduce fuel cost'. A critical aspect of emergency planning is communication and respondents were assenting that the role of media is very important in events understanding, respondents emphasized on the essential role of accurate media coverage of 'circulating positive stories'.

Finally, respondents valued the governmental role introducing campaigns to promote Malaysia locally "Cuti Cuti Malaysia" to encourage local travel domestically. And internationally "Visit Malaysia year", "Malaysia truly Asia" as a kind of proactive planning to attract more tourists and increase the occupancy rates during low seasons, weekdays, and during disasters.

Table 1. Themes extracted from interviews.

| Topic | Theme |
|------------------------------------|--------------------------------------------------------------------------------|
| Type of disasters | Natural: |
| | Tsunami |
| | Indonesian haze |
| | Indonesian Volcano |
| | Thai floods |
| | Tropical storm |
| | Man-made: |
| | Asian financial crisis |
| | Regional conflicts |
| | Outbreak of H1N1 and SARS |
| | Terrorism |
| | Political unrest |
| | Bali bombing |
| Disaster Impact | Arrivals collapse |
| | Reservation cancelation |
| | Drop in occupancy rates |
| | Less tourist expenditure |
| | Benefit from disasters in otherdestinations |
| Proactive Emergency Planning | Small and new organizations neglect Proactive planning |
| | Act based on ad hoc manners |
| | Positive government role |
| | The role of media |
| | Tourist seeks safety |
| | Marketing campaigns |
| | Domestic tourism |

4. Conclusion

Malaysia has subsequently been struck by a range of disasters. Reflecting the hospitality industry vulnerability to hazardous events in the internal and external environment, they have caused dramatic fluctuations in Tourist arrivals and revenue. Events discussed in this research disclose a wave of disasters affecting the hospitality industry in Malaysia over the last few decades, which affects this industry contribution to Malaysian GDP and reveals the multiplier effect on the economy. The finding also emphasizes that the organization type, age, and size had a great effect on proactive planning and whether if the organization faced a disaster before. Effective proactive planning was exists in the governmental

level, learning from the past to overcome the effect of such events. But unfortunately, this study found a dereliction to proactive emergency planning by the industry key players.

Acknowledgment

The authors would like to extend their appreciation to the Universiti Sains Malaysia for the Research University Grant under the Sustainable Tourism Research Cluster entitled 'Tourism Planning' [Grant No. 1001/PTS/8660013], and for Universiti Sains Malaysia fellowship APEX (1002/JHEA/ATSG/4001) which made this study and paper possible.

References

- [1] AlBattat, A., Mat Som, A., Ghaderi, Z., & AbuKhalifeh, A. (2013). The Effect of the Arab Spring Revolution on the Malaysian Hospitality Industry. International Business Research, 6(5), p92.
- [2] Asia time online. (Jan 4, 2005). Malaysia escapes, but not unscathed. February 23, 2014. Retrieved from http://www.atimes.com/atimes/Southeast_Asia/GA04Ae05.ht ml
- [3] Blake, A., & Sinclair, M. T. (2003). Tourism crisis management: US response to September 11. Annals of Tourism Research, 30(4), 813-832.
- [4] Cavanaugh, J. C., Gelles, M. G., Reyes, G., Civiello, C. L., & Zahner, M. (2008). Effectively planning for and managing major disasters. The Psychologist-Manager Journal, 11(2), 221-239. doi: 10.1080/10887150802371740
- [5] Chaudhary, C. (1991). Research Methodology. Jaipur: S. K. Parnami, R. B. S. A. Publishers.
- [6] Cohen, E. (2007). Tsunami and Flash-floods-contrasting modes of tourism-related disasters in Thailand. Tourism Recreation Research, 32(1), 21-39.
- [7] Cohen, E. (2008). Explorations in Thai tourism: Collected case studies (Vol. 11): Emerald Group Publishing.
- [8] Cordesman, A. (2011). Rethinking the Arab "Spring": Stability and Security in Egypt, Libya, Tunisia, and the Rest of the MENA Region (pp. 1-13). Washington, USA: Center for Strategic & International Studies.
- [9] De Sausmarez, N. (2004). Crisis management for the tourism sector: Preliminary considerations in policy development. Tourism and Hospitality Planning & Development, 1(2), 157-172
- [10] Faulkner, B. (2001). Towards a framework for tourism disaster management. Tourism Management, 22(2), 135-147. doi: 10.1016/s0261-5177(00)00048-0
- [11] Fink, S. (1986). Crisis Management: Planning for the Inevitable. New York, NY: American Management Association.
- [12] Helsloot, I., & Ruitenberg, A. (2004). Citizen response to disasters: a survey of literature and some practical implications. Journal of Contingencies and Crisis Management, 12(3), 98-111.

- [13] Henderson, J., & Ng, A. (2004). Responding to crisis: severe acute respiratory syndrome (SARS) and hotels in Singapore. International Journal of Tourism Research, 6(6), 411-419. doi: 10.1002/jtr.505
- [14] Henderson, J., Shufen, C., Huifen, L., & Xiang, L. L. (2010). Tourism and terrorism: a hotel industry perspective. Journal of Tourism, Hospitality & Culinary Arts, 2(1), 33-46.
- [15] Hitchcock, M., & Darma Putra, I. N. (2005). The Bali bombings: Tourism crisis management and conflict avoidance. Current Issues in Tourism, 8(1), 62-76.
- [16] Hystad, P. W., & Keller, P. C. (2008). Towards a destination tourism disaster management framework: Long-term lessons from a forest fire disaster. Tourism management, 29(1), 151-162
- [17] Kash, T. J., & Darling, J. R. (1998). Crisis management: prevention, diagnosis and intervention. Leadership & Organization Development Journal, 19(4), 179-186.
- [18] Laws, E., & Prideaux, B. (2006). Crisis management: a suggested typology. Journal of Travel & Tourism Marketing, 19(2-3), 1-8.
- [19] Lean, H. H., & Smyth, R. (2009). Asian financial crisis, avian flu and terrorist threats: are shocks to Malaysian tourist arrivals permanent or transitory? Asia Pacific Journal of Tourism Research, 14(3), 301-321.
- [20] Lu, Z., & Law, S. (2007). Features of dynamic response sensitivity and its application in damage detection. Journal of sound and vibration, 303(1), 305-329.
- [21] Mitroff, I. I. (2004). Crisis leadership: Planning for the unthinkable: John Wiley & Sons Inc.
- [22] National Security Council. (1997). Principle ans Management Mechanism of National Disaster Relief, Directive No. 20. Malaysian Government Printing Press, Kuala Lumpur.
- [23] Okumus, F., & Karamustafa, K. (2005). Impact of an economic crisis evidence from Turkey. Annals of Tourism Research, 32(4), 942-961.
- [24] Oliver-Smith, A., & Hoffman, S. M. (1999). The angry earth: disaster in anthropological perspective: Psychology Press.
- [25] PATA. (2003). Crisis: It Won't Happen to Us!: Expect the Unexpected, be Prepared. Pacific Asia Travel Association, Bangkok.
- [26] Patten, M. L. (2007). Understanding research methods: An overview of the essentials: Pyrczak Pub.

- [27] Prideaux, B. (2004). The Need to Use Disaster Planning Frameworks to Respond to Major Tourism Disasters. Journal of Travel & Tourism Marketing, 15(4), 281-298. doi: 10.1300/J073v15n04_04
- [28] Prideaux, B., Laws, E., & Faulkner, B. (2003). Events in Indonesia: exploring the limits to formal tourism trends forecasting methods in complex crisis situations. Tourism management, 24(4), 475-487.
- [29] Riley, R. W., & Love, L. L. (2000). The state of qualitative tourism research. Annals of Tourism Research, 27(1), 164-187.
- [30] Ritchie, B. (2008). Tourism Disaster Planning and Management: From Response and Recovery to Reduction and Readiness. Current Issues in Tourism, 11(4), 315-348. doi: 10.1080/13683500802140372
- [31] Rittichainuwat, B. (2006). Tsunami Recovery: A Case Study of Thailand's Tourism. Cornell Hotel and Restaurant Administration Quarterly, 47(4), 390-404. doi: 10.1177/0010880406289994
- [32] Sandelowski, M. (1995). Sample size in qualitative research. Research in nursing & health, 18(2), 179-183.
- [33] Shaluf, I. M. (2006). Disaster types in Malaysia: an overview. Disaster Prevention and Management, 15(2), 286-298.
- [34] Stafford, G., Yu, L., & Kobina Armoo, A. (2002). Crisis management and recovery how Washington, DC, hotels responded to terrorism. The Cornell Hotel and Restaurant Administration Quarterly, 43(5), 27-40.
- [35] Stahura, K. A., Henthorne, T. L., George, B. P., & Soraghan, E. (2012). Emergency planning and recovery for terror situations: an analysis with special reference to tourism. Worldwide Hospitality and Tourism Themes, 4(1), 48-58.
- [36] Tourism Malaysia. (2012). Malaysia Tourist Arrivals by Country of Nationality. Retrieved from http://corporate.tourism.gov.my/images/research/pdf/2011/TouristArrivals_JanDec_2011.pdf.
- [37] Tourism Malaysia. (2013). Tourist Arrivals & Receipts to Malaysia. Retrieved from http://corporate.tourism.gov.my/research.asp?page=facts_figur es.
- [38] Walle, A. H. (1997). Quantitative versus qualitative tourism research. Annals of Tourism Research, 24(3), 524-536.